

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

No. 1043

Washington, D. C.

June 30, 1945

WAR FOOD ADMINISTRATION ANNOUNCES 1945 SUBSIDY PROGRAM FOR MAJOR CANNED AND FROZEN VEGETABLES

Plan Authorized by Directives Issued by the Office of Economic Stabilization

The 1945 subsidy program for canned and frozen vegetables was announced on June 29 by the War Food Administration following the issuance on June 27 of Directives 60 and 61 by the Director of Economic Stabilization.

The amount of the subsidy is general the permitted increase in the average cost of raw material since 1942, as measured by the 1945 grower support prices, according to the WFA announcement. For some commodities, the subsidy also includes certain labor or other cost increases which the Director of Economic Stabilization has not permitted to be reflected in ceiling prices on civilian sales, but has directed WFA to absorb.

Canned Vegetables

The text of Directive 60 of the Office of Economic Stabilization on canned vegetables, effective June 27, follows:

The War Food Administrator and the Price Administrator having submitted to me information with respect to payment of subsidies on the sale of the 1945 pack of certain canned vegetables and vegetable products and on the utilization of certain canned vegetable products of the 1945 pack and with respect to the establishment of maximum prices for the 1945 pack of such commodities, I do hereby find that the measures hereinafter authorized and directed to be taken by the War Food Administration and the Office of Price Administration will effectuate the purpose of the Emergency Price Control Act of 1942, as amended, the Stabilization Act of 1942, as amended, and Executive Orders Nos. 9250 and 9328.

(1) The Office of Price Administration is hereby authorized and directed:

(a) Subject to paragraph (1) (b), below, to maintain or establish maximum prices for sales to purchasers other than government procurement agencies of the 1945 pack of canned green peas, snap beans, sweet corn, tomatoes, tomato juice, tomato catsup, tomato paste, tomato puree, tomato sauces, tomato cocktail, tomato juice contained in mixed vegetable juices, tomato soup, and green pea soup approximately at the levels of maximum prices

maintained or established for similar sales of such commodities in 1944, subject to any revision that may be authorized by this office.

(b) In establishing maximum prices for sales to purchasers other than government procurement agencies of the 1945 pack of canned snap beans and canned green peas, to reflect the differences by area between the applicable 1944 grower support prices for snap beans and green peas and the applicable 1945 grower support prices specified in Schedule A (attached hereto and by this reference made a part hereof), where such difference in support prices is of local nature and where the reflection of such difference in maximum prices will not affect the 1944 national level of maximum prices. Where the reflection of such differences by area would have the effect of changing the national level of price from the 1944 average, the national rate of subsidy

(Concluded on page 8676)

Walsh-Healey Exemptions

Exemption from the provisions of Section 1 of the Walsh-Healey Public Contracts Act for certain listed canned and dehydrated fruits and vegetables has been extended to December 31, 1945, by the Secretary of Labor. The list of products that are exempted were published in the INFORMATION LETTERS for December 31, 1942, and October 23, 1943, on pages 7414 and 7903.

Senate Confirms Hutson

The appointment of John B. Hutson to be Under Secretary of Agriculture was confirmed by the Senate on Tuesday. Mr. Hutson, who succeeds Grover B. Hill, has had many years of service with the Commodity Credit Corporation and the War Food Administration.

WAR DEPARTMENT POLICY ON PRICING THE 1945 PACK IS ANNOUNCED BY QUARTERMASTER GENERAL'S OFFICE

In response to requests from representative members of the canning industry, the Office of the Quartermaster General presents the following statement as to the pricing policy of the War Department for the 1945 pack of canned fruits, vegetables and juices.

The establishment of price ceilings on canned fruits, vegetables, and juices is, of course, the responsibility of the Office of Price Administration, but it must be recognized that the prices named by the Office of Price Administration are in every case maximum ceiling prices and not fixed prices. It has been the consistent policy of the War Department to comply with all OPA regulations as to maximum price ceilings, but it has always regarded and will continue to regard these prices as maximum ceilings and not fixed prices. The pricing policy of the War Department will remain the same as it has been since the inception of the Coordinated Procurement Program in 1942. The basic principle will continue to be the payment of prices which are fair to the industry and to the individual members thereof but which, at

the same time, are most considerate of the interests of the taxpayer.

Every effort will be made to see that excessive prices are not paid to any one canner or to canners in any one area; and, on the other hand, every care will be taken to see that the canners are treated fairly both as to individuals and to areas.

In the event that, as anticipated, wider use of the "band or ribbon" method of pricing by areas will be utilized by the OPA, the War Department reserves the right to examine these "bands"; and, providing the spread between the top and bottom of the "bands", is not too great, it will feel entirely justified in paying the indicated ceiling prices. If, on the other hand, there proves to be a wide differential in the "bands" for certain commodities, the War Department reserves the right to determine a price below the top of the "band" which it will be willing to pay. However, where a canner with a ceiling price higher than the price determined by the War Department can prove that some special circumstance in his particular case caused

the high ceiling and that he is not going to be unduly benefited if that ceiling price is paid, then appropriate adjustment will be made. Each of these cases will be considered on its merits.

Assurance is accordingly given to the industry that no change in pricing policy is contemplated by the War Department and that the same fair treatment previously given to the industry will continue through the 1945 season.

1945 SUBSIDY ANNOUNCED

(Concluded from page 8675)

payments shall be adjusted accordingly; and

(c) To establish maximum prices for sales to government procurement agencies, of the 1945 pack of canned green peas, snap beans, sweet corn, tomatoes, tomato juice, tomato catsup, tomato paste, tomato puree, tomato sauces, tomato cocktail and tomato juice contained in mixed vegetable juices, which are computed on the basis of the applicable estimated weighted average of 1945 grower support prices specified in Schedule A; and

(d) To establish maximum prices for all other canned products covered as to the 1944 pack by Supplement 7 to Food Products Regulation No. 1, produced wholly or in part from the four major vegetables, which are computed on the basis of the applicable estimated weighted average of 1945 grower support prices specified in Schedule A.

(2) The War Food Administration is hereby authorized and directed, by the use of Commodity Credit Corporation funds, to make subsidy payments to canners on the rate basis applicable to the 1944 pack with respect to (a) eligible sales to purchasers other than government procurement agencies consummated between May 1, 1945, and June 30, 1946, or such later date as the War Food Administration may hereinafter specify, both dates inclusive, of canned green peas, snap beans, sweet corn, tomatoes, tomato juice, tomato catsup, tomato paste, tomato puree, tomato sauces, tomato cocktail, tomato juice contained in canned mixed vegetable juices, tomato soup, and green pea soup, produced during the period May 1, 1945, to December 31, 1945, both dates inclusive, except that with respect to canned snap beans the terminal date of production shall be February 28, 1946, inclusive, and (b) utilization, by the canner thereof, of bulk or canned tomato puree, tomato paste and tomato sauces produced during the period May 1, 1945, to December 31, 1945, both dates inclusive, in the production, during the aforesaid period of eligible sales, of any other canned food product also actually produced by him.

The schedule of estimated weighted average of 1945 grower support prices appended to the directive is the same as the schedule of grower support prices

published on pages 8524-25 of the INFORMATION LETTER for February 17, except the prices for snap beans, for which the earlier announcement (see page 8588 of INFORMATION LETTER) gave prices by varieties. The average weighted prices for beans, as appended to the directive, follow:

State or District	Prices per ton
Maine, Vermont, New Hampshire, Rhode Island, Massachusetts, and Connecticut	\$90.00
New York	101.00
Maryland, Delaware, Virginia, West Virginia, Pennsylvania, New Jersey	90.50
Tennessee, Kentucky, North Carolina, South Carolina, Georgia, Mississippi, Louisiana, Alabama	80.17
Florida	80.00
Arkansas, Oklahoma, Missouri, Kansas	80.15
Texas	81.40
Wisconsin, Michigan, Indiana, Illinois, Ohio, Iowa, Nebraska, North Dakota, South Dakota, Minnesota	84.89
Colorado, Utah, Idaho, Wyoming, New Mexico, Nevada, Montana, and Arizona	110.00
Oregon, Washington, California	80.00
	110.00

Frozen Vegetables

The text of Directive 61 on frozen vegetables follows:

The War Food Administrator and the Price Administrator having submitted to me information with respect to the payment of subsidies on the sale of the 1945 pack of certain frozen vegetables and with respect to the establishment of maximum prices for the 1945 pack of such commodities, I do hereby find that the measures hereinafter authorized and directed to be taken by the War Food Administration and the Office of Price Administration will effectuate the purposes of the Emergency Price Control Act of 1942, as amended, the Stabilization Act of 1942, as amended, and Executive Orders Nos. 9250 and 9328.

(1) The Office of Price Administration is hereby authorized and directed:

(a) To establish for sales to purchasers other than government procurement agencies maximum prices for the 1945 pack of frozen snap beans, frozen sweet corn, frozen green peas, and frozen mixed vegetables containing one or more of these three vegetables, which are computed on the basis of applicable resale prices of the 1943 purchase and resale program of the Commodity Credit Corporation; and

(b) To establish for sales to government procurement agencies maximum prices for the 1945 pack of frozen snap beans, frozen sweet corn, frozen green peas, and frozen mixed vegetables containing one or more of these three vegetables, which are computed on the basis of the applicable 1945 designated area average prices specified in Schedule A (attached hereto and by this reference made a part hereof) or the weighted average of the applicable actual prices paid by the respective

freezer for snap beans, sweet corn, and green peas for freezing, whichever is the lesser.

(2) The War Food Administration is hereby authorized and directed to make subsidy payments, out of funds of the Commodity Credit Corporation, on frozen snap beans, frozen sweet corn, frozen green peas, and frozen mixed vegetables containing one or more of these three vegetables, produced during the period May 1, 1945, through December 31, 1945 (except that with respect to frozen snap beans and frozen mixed vegetables containing snap beans, the terminal date of production shall be February 28, 1946, inclusive), and eligible sold to purchasers other than government procurement agencies during the period May 1, 1945, through June 30, 1946 (or such later date as the War Food Administration may specify). Rates of payment shall be based upon the amount, in each case, by which the applicable 1945 designated area average price specified in Schedule A, or the weighted average of the actual price paid by the respective freezer for snap beans, sweet corn, or green peas, whichever is the lesser, exceeds the applicable 1943 resale price of the Commodity Credit Corporation. With respect to the aforesaid actual prices paid, prices in excess of the applicable designated area average price shall be computed in an amount equal to such designated price.

The schedule of designated average area prices of vegetables appended to the directive is the same as the directive published on page 8591 of the INFORMATION LETTER for April 14.

V-Box Needs Continue High

V-box requirements of the military are programmed at 300,000 tons for the third quarter, members of the Containerboard and the Fiber Box Industry Advisory Committee were told by officials of the War Production Board at a recent joint meeting. June allocations have been set at almost 80,000 tons solid fiber and over 12,000 tons corrugated board. Total board allocation to the V-box manufacturers during the second quarter amounted to almost 335,000 tons, WPB said.

Transportation problems are increasing, due to boxcar shortages, with quantities of pulpwood remaining in the woods instead of being transported to the mills, industry spokesmen pointed out. Pulp and board production will suffer, they said, particularly on the east coast, unless coastwise shipments can soon be reestablished, thus releasing more freight cars.

Over-all military cutbacks now taking place will release more boxes to essential civilian products later this year, committeemen were told.

WFA ISSUES SECOND REVISION TO ITS ORDER COVERING THE SALARIES AND WAGES FOR AGRICULTURAL LABOR

The War Food Administrator has issued Revision 2 of the Regulations Relative to Salaries and Wages of Agricultural Labor, effective June 25, incorporating several changes which have taken place both in administrative policy and the law since the issuance of Revision 1 of the regulations last October 3.

One of the principal changes is in the procedure for determining the sentiment of producers toward the establishment of a specific wage ceiling regulation. Previously action could not be taken to put a specific wage ceiling into effect unless a majority of all the producers to be affected had requested WFA's intervention. The Department of Agriculture Appropriation Act for 1946 requires only a request for WFA's intervention by a majority of producers of a commodity within the area affected participating in a meeting or referendum held for that purpose in order to initiate action to put a specific wage ceiling regulation into effect. Revision 2 provides that change, effective July 1.

The regulations have required that, in the absence of specific ceilings, increases in the wages or salaries of agricultural labor earning \$200 a month or more must be approved by the War Food Administrator to be lawful. The Administrator's approval also has been required where an increase would raise a worker's wage or salary payment from below \$200 to more than \$200 a month. Since some difficulty has been experienced by farmers in determining whether the hourly or piecework rates they pay are equivalent to \$200 a month, the present revision provides definite hourly and piecework equivalents of \$200 a month for California, Oregon, Washington, and Florida, and a formula for determining the equivalents in other States.

In the States named, the hourly equivalent is given as 85 cents, and the piecework equivalent is a rate which will permit an average worker, working at a customary rate of speed for hourly work, to earn 85 cents per hour. Where the formula is used, an employer can determine whether a wage rate is equivalent to the rate of \$200 a month in this manner:

For daily rates, multiply the rate the employer proposes to pay per day by the customary number of days worked per month by employees in the area.

For hourly rates, multiply the rate the employer proposes to pay per hour by the customary number of hours per day the employee will work, then multiply the total daily earnings by the

customary number of days worked per month by employees in the area.

For piecework rates, compute first the equivalent hourly rate, then determine the number of units an employee of average skill and speed (engaged in the particular work) would turn out per hour; once the number of units per hour has been determined, divide the hourly wage rate by that number of units and the result will be the equivalent piecework rate.

The wage rate for short-term employment and for an employee who does not work the normal number of days per month cannot exceed the rate which could be paid if the employee had worked the normal length work day for the number of days customarily worked a month, irrespective of the fact that the particular operation does not last a month or the employee does not work the normal number of days per month. Other significant changes are:

1. In the procedure for determining violations, a provision is added permitting an alleged violator to make exceptions to the Director of Labor's wage board's or examiner's report, prior to a ruling on his case by the Administrator.

2. A consent order provision has been added which permits an alleged violator, at the Administrator's discretion, to forego a hearing and file with the Director of Labor, wage board or examiner an admission of the facts, or at least the material facts, on which the charges against him are based, and agree that an order may be issued against him.

3. Under an amendment to the provision on the effect of unlawful payments, the Administrator is authorized to take extenuating circumstances into account in determining the total amount of payments he will certify for disallowance by other government agencies.

Committee Accepts Andresen Amendment in Modified Form

The Conference Committee agreement on the bill to extend the Emergency Price Control Act until June 30, 1946, approved in modified form three of the amendments voted by the House, approved two Senate amendments, and eliminated one Senate and one House amendment. As the LETTER went to press, the House was expected to take up the conference report on Saturday.

Of principal interest to canners are the Andresen amendment, which was accepted in modified form, and the Wherry and Dirksen amendments, which were rejected in Conference.

The Andresen amendment, as modified by the Committee, provides that:

"(e) Notwithstanding any other provision of this or any other law, no action shall be taken under this Act by the Administrator or any other person, without prior written approval of the Secretary of Agriculture, with respect to any agricultural commodity or with respect to any regulation, order, price schedule or other requirement applicable to pay processor with respect to any food or feed product processed or manufactured in whole or substantial part from any agricultural commodity; except that (1) the foregoing provisions of this subsection shall not apply in the case of any individual adjustment making an increase in a maximum price, and (2) the Administrator may take such action as may be necessary under section 202 and section 205 to enforce compliance with any regulation, order, price schedule, or other requirement, which is lawfully in effect."

The two Senate amendments that were accepted were the Barkley proposal requiring separate consideration for beef, pork, and lamb in the establishment of their ceiling prices, and the Wiley amendment, which prevents OPA from requiring sellers to absorb increases in postal rates in articles delivered by mail.

House amendments accepted in modified form included, in addition to the Andresen proposal, the Patman amendment relating to inspection of slaughterhouse products, and the Baldwin amendment relating to advisory committees in rent control.

The Wherry amendment would have substituted for the present parity system a cost-of-production basis for pricing farm products.

The Dirksen amendment would have permitted complainants on price regulations to seek relief in the Federal District Courts as well as in the present Emergency Court.

Points Raised on Canned Fish

Point values for all canned foods will remain unchanged for the month of July with the exception of canned fish which are increased from two to three points per pound, depending on the variety. The new point values for canned fish (based on 1 lb. containers), as compared with the June point values, are as follows:

	Point values	
	old	new
Bonito.....	6	9
Mackerel.....	4	6
Oysters.....	2	4
Salmon.....	6	9
Sardines.....	4	6
Shrimp.....	6	9
Tuna.....	6	9
Yellow tail.....	6	9
All products containing more than 20% of the fish above.....	2	4

OPA ESTABLISHES CANNED CITRUS PRODUCTS PRICES

**Ceilings Are Fixed for Each Can Size
for Each Area Without Any
Regard for Grades**

Supplement 12 to Food Products Regulation 1, issued by the Office of Price Administration on June 26 and effective July 2, establishes dollars-and-cents maximum prices for sales of packed grapefruit juice, grapefruit segments, orange-grapefruit juice blended (50 per cent orange juice and 50 per cent grapefruit juice) by sellers other than wholesalers and retailers. Wholesalers' and retailers' prices for these products are determined under the fixed markup regulations.

In its Statement of Considerations, the Office of Price Administration said:

The maximum prices for each can size of these citrus products, which are named on a uniform basis, without regard for grade, for each raw fruit producing area, are established pursuant to Policy Directive No. 40 issued by the Office of Economic Stabilization of May 25, 1945.

The maximum prices for sales to purchasers other than government procurement agencies for grapefruit juice, the most important citrus product covered by the supplement, are maintained at the 1943 price level by the use of subsidy funds which are payable to eligible canners by the Commodity Credit Corporation.

The ungraded prices for grapefruit juice for sales to all purchasers except government procurement agencies are the same as the prices established in 1943 and 1944 for "fancy" grade of the product.

Changes in raw fruit, processing costs and processors' margins over those previously reflected in civilian maximum prices for grapefruit juice in 1943 and 1944 will be handled by reflecting such changes in the subsidy payments rather than in the maximum prices as to the civilian portion of the pack, while such changes are reflected in the maximum prices established for sales to government procurement agencies.

As to orange juice and orange-grapefruit juice blended, for which no subsidy is payable, changes in raw fruit costs, processing costs and processors' margins are reflected in the maximum prices.

For grapefruit segments maximum prices are established for sales to government procurement agencies only, because the entire pack has been set aside for government use. The prices for this product are the same as those previously established by Amendment 1 to Supplement 5 to Food Products Regulation No. 1.

The pricing provisions of the Supplement are contained in Article II, which follows:

SEC. 4. Packed single strength grapefruit juice.—(a) *General pricing provisions.* The processor's maximum prices per dozen containers, f. o. b. factory, for packed single strength grapefruit juice shall be as follows:

State or area	Style of pack	No. 2 cans		No. 3 cyl.		No. 10 cans	
		Sales to Government	Other sales	Sales to Government	Other sales	Sales to Government	Other sales
Florida. (For juice packed prior to 1/1/45.)	Natural (unsweetened)...	\$1.465	\$1.125	\$3.470	\$2.550	\$6.950	\$5.000
	Sweetened.....	1.500	1.150	3.555	2.600	7.135	5.150
Florida. (For juice packed on and after 1/1/45.)	Natural (unsweetened)...	1.430	1.125	3.375	2.550	6.750	5.000
	Sweetened.....	1.465	1.150	3.460	2.600	6.955	5.150
Texas.....	Natural (unsweetened)...	1.175	1.125	2.755	2.550	5.460	5.000
	Sweetened.....	1.210	1.150	2.845	2.600	5.645	5.150
California and Arizona.	Natural (unsweetened)...	1.275	1.225	2.970	2.800	5.855	5.000
	Sweetened.....	1.310	1.250	3.060	2.850	6.040	5.750

NOTE: The prices in this table for sales to government procurement agencies must be adjusted in accordance with the provisions of paragraph (b), below.

The area named in the first column of the table refers in each case to the area in which the fruit used was grown. (The location of the processor or his factory is not controlling.) Where the processor's pack of grapefruit juice at one factory is produced from fruit grown in more than one area and different prices are named for those areas, the processor shall apply to the Office of Price Administration, Washington, D. C., for authorization of a maximum price, in accordance with the provisions of section 11 (c), which provides for individual authorization of maximum prices under Section 2.5 of FPR 1.

(b) *Special pricing provisions relating to sales to government procurement agencies.* (1) The processor's maximum prices for sales to government procurement agencies shall be the gross maximum prices named in paragraph (a) for such sales for the period of pack indicated, less the amount of the applicable monthly area grapefruit juice cost reduction for the month (or period) in which such grapefruit juice was packed.

(2) The monthly area grapefruit juice cost reduction shall be established by order of the Office of Price Administration as soon as may be practicable after the period to which it applies. That amount is the difference between the cost for raw grapefruit reflected in the applicable gross maximum prices for sales to government procurement agencies set forth in paragraph (a), above, and the applicable weighted average delivered grapefruit cost for such month (or period) determined by the Office of Price Administration, converted to costs per dozen containers of the particular size and type packed during the

month (or period) to which such monthly area grapefruit juice cost reduction is applicable.

(3) In the event that any monthly area grapefruit cost, determined by the Office of Price Administration as set forth above, shall be equal to or greater than the cost for raw grape-

fruit reflected in the applicable gross maximum prices for sales to government procurement agencies the Office of Price Administration shall provide by order that no reduction shall be made in the gross maximum prices for grapefruit juice packed during the month (or period) to which such monthly area grapefruit cost is applicable.

(c) *Processors' base prices for use in determining maximum export prices for packed single strength grapefruit juice.* For packed single strength grapefruit juice, the base prices to be used by the processor in determining his maximum prices for export sales other than to the Territories and Possessions of the United States under the Second Revised Maximum Export Regulations shall be the maximum prices set forth in paragraph (a) for "other sales" plus an amount equal to the amount of the subsidy that would be payable to him for the month (or period) during which such grapefruit juice was packed if the sale of that grapefruit juice was made to a domestic civilian purchaser or to a purchaser in the Territories and Possessions of the United States. For export sales to the Territories and Possessions of the United States, the processor's base prices to be used in determining his maximum export prices under the Second Revised Maximum Export Price Regulation shall be the maximum prices set forth in paragraph (a) for "other sales." The provisions of this paragraph (c) do not apply to sales to government procurement agencies of the United States.

SEC. 5. Packed grapefruit segments. The processor's maximum prices per dozen No. 2 containers, f.o.b. factory, for packed grapefruit segments shall be as follows:

State or area	Style of pack (sweetened)	Sales to Government
Florida.....	Sections.....	\$1.800
	Broken sections...	1.700
Texas.....	Sections.....	1.625
	Broken sections...	1.525

The area named in the first column refers in each case to the area in which the fruit used was grown. [See statement following table for single strength grapefruit juice.]

SEC. 6. *Packed single strength orange juice.* The processor's maximum prices per dozen containers, f.o.b. factory, for packed single strength orange juice shall be as follows:

State or area	Style of pack	No. 2 cans		No. 3 cyl.		No. 10 cans	
		Sales to Government	Other sales	Sales to Government	Other sales	Sales to Government	Other sales
Florida.....	Natural (unsweetened)...	\$1.605	\$1.655	\$3.835	\$3.940	\$7.830	\$8.035
	Sweetened.....	1.630	1.680	3.893	4.000	7.960	8.165
Texas.....	Natural (unsweetened)...	1.475	1.525	3.510	3.615	7.140	7.345
	Sweetened.....	1.500	1.550	3.570	3.675	7.270	7.475
California and Arizona.	Natural (unsweetened)...	1.700	1.810	4.170	4.275	8.465	8.670
	Sweetened.....	1.785	1.835	4.230	4.335	8.595	8.800

The area named in the first column refers in each case to the area in which the fruit used was grown. [See statement following table for single strength grapefruit juice.]

SEC. 7. *Packed single strength orange-grapefruit juice blended (50 per cent orange-50 per cent grapefruit).* The processor's maximum prices per dozen containers, f.o.b. factory, for packed single strength orange-grapefruit juice blended shall be as follows:

State or area	Style of pack	No. 2 cans		No. 3 cyl.		No. 10 cans	
		Sales to Government	Other sales	Sales to Government	Other sales	Sales to Government	Other sales
Florida.....	Natural (unsweetened)...	\$1.520	\$1.560	\$3.605	\$3.700	\$7.290	\$7.470
	Sweetened.....	1.545	1.590	3.675	3.775	7.450	7.625
Texas.....	Natural (unsweetened)...	1.325	1.370	3.135	3.225	6.300	6.475
	Sweetened.....	1.355	1.400	3.205	3.300	6.460	6.630
California and Arizona.	Natural (unsweetened)...	1.520	1.570	3.570	3.675	7.160	7.355
	Sweetened.....	1.545	1.600	3.645	3.750	7.320	7.510

The area named in the first column refers in each case to the area in which the fruit used in the pack was grown. [See statement following table for single strength grapefruit juice.]

SEC. 8. *Sales between processor for the purpose of fulfilling government set-aside requirements of War Food Order 22.7.* The processor's maximum price per dozen containers, f. o. b. factory, for any item of packed citrus products of the 1945 and later packs, in sales to another processor of those

products, which are to be used by the purchaser in making sales to government procurement agencies under the set-aside requirements of War Food Order 22.7 shall be the maximum price set forth in sections 4, 5, 6 and 7 for sale of the item to government procurement agencies.

SEC. 9. *Maximum prices for sales by processors of prior years' packs of listed products which have been sold to them by government agencies.* The maximum price for sales by a processor, to purchasers other than government procurement agencies, of that portion of an item of any citrus product listed in sections 4, 6 or 7 of this supplement which was packed prior to October 1, 1944, and which has been sold to the processor by a government

agency, shall be the processor's maximum, f. o. b. factory, as established under this supplement for the same item when packed subsequent to October 1, 1944. However, differences in brand shall be ignored.

SEC. 10. *Label and labor allowances.* (a) Label and labor allowances shall be made by processors in the following circumstances and in the following amounts:

(1) When the processor sells any

item covered by this supplement, unlabeled or labeled with labels supplied by the purchasers, in containers no greater in content than a No. 10 can, the maximum price established under this supplement shall be reduced by \$1.50 per thousand labels used (label allowance). The processor is, of course, free to make a greater allowance if he so desires.

(2) When any item covered by this supplement is sold unlabeled in containers no greater in content than a

No. 10 can, the maximum price established under this supplement shall be reduced by one cent per case (labor allowance) in addition to the allowance provided in subparagraph (1), above. The processor is, of course, free to make a greater allowance if he so desires.

(b) In each sale to a purchaser other than a government procurement agency, where a processor makes an allowance for labels or labor under this section, he shall separately state the selling price and the amount and nature of the allowance on the invoice accompanying the sale.

The Statement of Considerations accompanying Supplement 12 discusses the methods used in establishing maximum prices for raw materials, as approved by the Office of Economic Stabilization in its May 25 directive. This directive was reported in the INFORMATION LETTER for June 2 (page 8643).

The OPA's Statement of Considerations also furnishes information as to its method of arriving at processing costs, processors' margins, etc., and the following is quoted from the Statement:

(b) *Processing costs.* The processing costs used in establishing the maximum prices are based on a cost and profit study made by the Office of Price Administration and other data supplied by the industry. This study of the citrus canning industry covered approximately one-fourth of the total production of canned citrus. The processing costs used are those for the 1943-1944 pack year as adjusted in the matter indicated below. The processing costs are weighted averages based on the production of each company in the cost and profit sample and were figured on the basis of No. 2 cans "fancy" grade juice. The weighted average actual costs were adjusted to the level that would have existed had the volume of production for the 1943-1944 pack year been "normal." It was determined by the Price Administrator that the processing cost based on actual production for that year should not be used for the reason that production records indicate that production for that year far exceeded the volume for any other pack year. On the basis of information supplied by the War Food Administration a "normal" pack was determined in relation to the facilities existing prior to the 1944-1945 season. Compared with the "normal" pack figures so established, production in 1943-1944 was approximately 12 or 13 per cent higher. Actual per unit processing costs in 1943-1944 therefore were adjusted upward to compensate for this difference between actual and normal volume.

In addition to the raw fruit cost, pick and haul allowances and other processing costs, the maximum prices include an allowance for fruit tax, inspection and buyers' expenses.

(c) *Processors' margins.* An allowance of 4.5 per cent on sales was added to the gross cost for each item. This profit percentage was taken on the full sales value including the amount of the subsidy as a part of the price. The profit for each item, therefore, was figured on the same amount in dollars-and-cents whether the price was named for government or for civilian sales. This margin of profit was approved by the Office of Economic Stabilization in the May 25 directive based on the recommendations of the Price Administrator that the establishment of maximum prices at a level that would return to the citrus canning industry profits no greater than it received during any recent peacetime period would not maintain the production that is essential for the effective prosecution of the war. Based on the cost and profit study made by the Office of Price Administration, it was determined that the ratio of net operating profits to net sales in the citrus canning industry for the years 1936 to 1939 was 1.3 per cent and for the years 1940 and 1941 was 3.3 per cent.

(d) *Determination of government prices.* After the "gross price" for each item was determined, the maximum price for sales to government procurement agencies was computed by subtracting from the total price the weighted average expenses included in that price representing brokerage and cash discounts.

(e) *Maximum prices for sales to purchasers other than government procurement agencies.* Since no subsidy is payable for orange juice or orange-grapefruit juice blended, the maximum price is the same as the "gross price." On grapefruit juice, however, the pricing and subsidy program approved in the May 25 directive provided for the continuation of the present average level of maximum prices. This results in the establishment of the same maximum price for ungraded grapefruit juice this year as was established last year for "fancy" grade. Data supplied by the industry and by the Department of Agriculture Inspection Service indicate that over 90 per cent of the pack grades "fancy" on the basis of United States Department of Agriculture grades. The subsidy payable on grapefruit juice will be named separately for each can size as well as for each state.

(f) *Orange-grapefruit juice blended.* The maximum prices for orange-grapefruit juice blended assumes as in prior years a blend of 50 per cent orange juice and 50 per cent grapefruit juice. The maximum prices for this product for sales to purchasers other than government procurement agencies is the simple average of the civilian prices for orange juice and the "gross price" for grapefruit juice (the latter reflecting in the case of Florida \$35.67 per ton for raw fruit). The maximum prices for government sales is the simple average of the maximum prices, for sales to government procurement agencies, of grapefruit juice (the price re-

flecting \$35.67 per ton for raw fruit in the case of Florida) and orange juice.

(g) *Maximum prices for citrus segments.* The accompanying supplement brings forward from Supplement 5 to Food Products Regulation No. 1 the maximum prices that were established for this product by Amendment 1 to that supplement issued January 26, 1945 covering sales to government procurement agencies for the 1945 pack. Prices are named for sales to government procurement agencies only as the entire pack is set aside for such use.

(h) *Prices without regard for grade.* The maximum prices for packed citrus products in the past have been established on the basis of United States Department of Agriculture grades. In establishing maximum prices for the 1944 pack under Maximum Price Regulation 509 (now Supplement 5 to Food Products Regulation No. 1) the Price Administrator has determined that this was the only means of securing effective price control as there was no commercial grades which were sufficiently definite in describing the respective grade, or which were in general use in the industry prior to price control. The accompanying supplement establishes prices without regard for grade as the Price Administrator is unable to make a determination on the data available that United States Department of Agriculture grades or any commercial grades were in general use in the citrus canning industry prior to price control. The Second Deficiency Appropriation Act, 1944 (Pub. Law 375, 78th Cong.: 2d Sess.) prohibits the Price Administrator from establishing maximum prices based on specifications or standards which were not in general use in the industry.

(i) *Base prices for export sales of grapefruit juice.* The supplement establishes base prices for processors to use in establishing their maximum prices for grapefruit juice under the Second Revised Maximum Export Price Regulation as the subsidy program covering this year's pack, will provide that no subsidy will be payable for grapefruit juice exported except to the Territories and Possessions of the United States. Canada, which has been the principal export market for citrus juices, has indicated a desire to purchase directly from processors instead of purchasing from the War Food Administration as was done in 1944. The provisions in the supplement directs the processors in establishing a base price for export sales, except to the Territories and Possessions of the United States, to increase his maximum price for sales to purchasers other than government procurement agencies by the amount of the subsidy payable to him.

A summary of the citrus subsidy program was published in the INFORMATION LETTER last week (page 8667). Since copies of the subsidy offer have been mailed to all grapefruit canners by the War Food Administration, it is not being reproduced in this LETTER.

Court Rules on Incentive Pay under Wage and Hour Act

The Supreme Court decided on June 4 two companion cases of significance to canners (*Walling v. Youngerman-Rowlands Hardware Co.* and *Walling v. Har-nischfeger Corp.*), involving the application of the overtime provisions of Section 7 (a) of the Wage and Hour Act to incentive compensation, on a piece-rate basis, that exceeds the guaranteed regular and overtime hourly wage.

Declaring that "those who receive incentive bonuses in addition to their guaranteed base pay clearly receive a greater regular rate than the minimum base rate," the majority of the Court disregarded altogether the guaranteed regular and overtime hourly wage rates which, had they alone been paid, would have satisfied all requirements of the Wage and Hour Act. It held that the regular rate is "the quotient of the amount received during the week divided by the number of hours worked," including the overtime hours. On this basis it held that the Act was violated by failure of the incentive piece-work rate to make a 50 per cent differential between regular and overtime hours.

In a forceful dissent, Chief Justice Stone and Justice Roberts point out that the decision of the majority is in "flat contradiction" of *Walling v. Belo Corporation* (see INFORMATION LETTER for June 13, 1942, p. 7053); that it was not the purpose of Congress in enacting the Wage and Hour Law "to force increases in wages paid for time and overtime which are already above the statutory minimum;" and that under the formula adopted by the majority "the employer could pay no piece work rate high enough to dispense with what is thought to be the requirement to increase the weekly wage in order to pay the wage differential for overtime for which, by hypothesis, no piece work rate of pay compensates . . . since the piece work wage however great can never be regarded as including the wage differential for overtime even though the parties so agree."

Under the majority's decision it would seem that a canner paying piece work rates, either regularly or as special incentive compensation, can protect himself only by distributing the rates, as distinguished from the total amount of weekly compensation, in such a manner as to provide a 50 per cent differential between work done in regular and work done in overtime hours. This would be equally true of incentive compensation in any other form.

WFA SETS GROWER PRICES ON PEACHES AND RED SOUR CHERRIES TO BE REFLECTED IN PROCESSORS' CEILINGS

Grower prices that will be used in the construction of processors' ceiling prices were announced this week jointly by the War Food Administration and the Office of Price Administration for clingstone peaches, and red sour cherries. Average grower prices for peaches and pears for drying also were announced. The grower prices, as well as other details which appeared in the joint agency announcement, follow:

Clingstone Peaches

An average grower price of \$80 per ton will be used in the construction of processors' ceiling prices for the 1945 pack of canned and frozen clingstone peaches. Prices for certain grades based upon the State average were also announced for California. The announced prices are the same as those in effect last year.

If the average price paid by any processor is less than the announced price, his ceiling prices for the processed products will be based only on the actual average price paid. Where grower prices are announced by grades, such as for California clingstone peaches, and the average price paid for each grade is less than the announced price for such grade, the processor's ceiling prices will reflect this reduced raw material price.

To participate in the WFA guaranty purchase program, announced March 26, for canned clingstone peaches and fruit cocktail, canners must pay for each purchase of peaches for canning not less than the applicable price announced for the raw fruit. Of the canned peaches and fruit cocktail required to be set aside by each processor for purchase by Government agencies under the provisions of WFO 22.8, 90 per cent of the supplies come under the WFA guaranty purchase program.

Following are the grade prices that California processors should be able to pay under the 1945 ceiling price structure: No. 1 canning clingstone peaches, \$63.50 per ton; No. 2 canning clingstone peaches, \$30.00 per ton. The No. 1 and No. 2 peaches referred to are those defined in the proposed State marketing order for canning clingstone peaches that was issued by the State of California Department of Agriculture on June 25, 1943. The prices are based upon the following conditions with respect to deliveries:

1. If the peaches are purchased under a contract calling for the delivery of No. 1 canning clingstone peaches:

(a) The No. 1 price is applicable to the entire quantity in each load de-

livered if it does not contain in excess of 6¼ per cent of peaches of lower quality than No. 1.

(b) If a load contains in excess of 6¼ per cent of peaches of lower quality than No. 1, then the No. 1 price is applicable only to the quantity of No. 1 peaches in the load.

(c) A load containing in excess of 10 per cent of peaches of lower quality than No. 1 may be rejected.

2. If the peaches are purchased under a contract calling for the delivery of both No. 1 and No. 2 canning clingstone peaches:

(a) The No. 1 price is applicable to the entire quantity in each load delivered if it does not contain in excess of 6¼ per cent of peaches of lower quality than No. 1.

(b) If a load contains less than 93½ per cent No. 1 canning clingstone peaches, but not in excess of 6¼ per cent of peaches of lower canning quality than No. 2, then the No. 2 price is applicable to the quantity of peaches in the load that are of lower quality than the No. 1, and the No. 1 price is applicable only to the quantity of No. 1 peaches in the load.

(c) If a load contains in excess of 6¼ per cent of peaches of lower quality than No. 2, the price for No. 2 peaches is applicable only to the quantity of No. 2 peaches in the load and the price for No. 1 peaches is applicable only to the quantity of No. 1 peaches in the load.

(d) A load containing in excess of 10 per cent of peaches of lower quality than No. 2 may be rejected.

The above prices are at the grower's customary delivery points and are based upon the customary grading procedures.

Red Sour Cherries

The average grower prices for red sour cherries for processing that will be used by OPA in constructing processors' ceiling prices for the 1945 pack of processed red sour cherries are as follows:

	Cents per pound
California, Arizona, Nevada, Utah, Idaho, Montana, Oregon, and Washington	8
Texas, New Mexico, Oklahoma, Kansas, Colorado, Wyoming, Nebraska, North and South Dakota	8½
All other States	13

Last year a grower price of 7½ cents per pound was announced for all States. The increase for the Western States this year is made because of a slight raise in the parity price. In the other States, however, higher prices have been established to permit producers to be partially compensated for the below-average yields. If the average price paid by any processor is less

than the announced prices, his ceiling prices for processed cherries will be based only upon the actual price paid.

In order to participate in the WFA guaranty purchase program for canned red sour cherries, canners must pay for each purchase of red sour cherries for canning not less than the applicable price announced today for raw fruit. Of the canned cherries required to be set aside, 90 per cent of the supplies come under the WFA guaranty purchase program.

The grower prices for all States apply at the processors' customary receiving point and are based upon the customary grading procedures and tolerances for defective fruit.

Dried Peach and Pear Prices

Average grower prices for dried peaches and pears that will be used by OPA in the construction of processors' ceiling prices for the 1945 pack of dried peaches and pears will be the same as those in effect for the 1944 packs. The prices follow:

	Per ton
Pears:	
Lake County quality	\$360
Others	350
Peaches:	
Clingstone	330
Freestone	440

Grower prices will be supported by offers to purchase in order to encourage maximum production of these commodities for war needs. The support program is similar to that in effect during the last three seasons. WFA will offer to purchase from growers dried peaches and pears meeting the specifications prescribed in the applicable Federal Surplus Commodities grades.

Off-Condition Evaporated Milk

The War Food Administration on June 25 announced the contemplated sale of 23,071 cases of 1942 pack off-condition evaporated milk. Bids to purchase the commodity may now be submitted to, and must be received by, the Contracts and Adjustments Division, Sales Branch, Office of Supply, Commodity Credit Corporation, War Food Administration, Washington 25, D. C., not later than 5 p.m., EWT, July 11.

Canadian Machinery Exports

Exports of farm machinery from Canada during the first four months of this year were valued at \$5,832,000 compared with \$4,626,000 in the corresponding period of 1944, according to the Department of Commerce. Exports of machinery other than farm in the January-April period of 1945 were valued at \$7,911,000 compared with \$5,833,000 in the like period of 1944.

PRICES UNDER GUARANTY PROGRAM ARE ANNOUNCED

WFA Clarifies the Pricing Provisions of Its Statement of March 23

The War Food Administration announced on June 23 the minimum guaranty price at which it will purchase canned snap beans, sweet corn, green peas, tomatoes, and tomato juice. The minimum guaranty is 86.4 per cent of a canner's individual gross f.o.b. ceiling price or 86.4 per cent of the midpoint of the area range of prices for a given commodity, whichever is lower. This applies to that portion of a canner's set-aside quota not purchased by the Army Quartermaster Corps and in excess of 90 per cent of the quota.

Under the basic provisions of the guaranty program, a canner may sell to WFA any part of the released set-aside stocks in excess of 10 per cent of the combined specific and contingent reserves, which, for example, in the case of snap beans is 52 per cent of the base pack. WFA prices will be the weighted average of the QMC purchases from the canner's pack. As now revised, the program guarantees each canner a price on this portion of his pack at least as high as the level represented by the percentage of ceiling prices herein specified.

Other changes, which have been made, are designed to make the price provisions more definite than the announcement of March 23. (See INFORMATION LETTER for March 31, page 8569.) The full text of the amended section follows:

Prices

1. Purchase prices with respect to the eligible portion of the canner's set-aside stocks, as defined in the paragraph headed *Quantity*, shall be

(a) The weighted average price paid by the Quartermaster Corps, U. S. Army, to such canner for the same commodity of like type, style, variety, grade, size, and container, and packed in the same area (such weighted average price may be determined by canner's certification); or in the event no purchase has been made from the canner by the Army QMC of the commodity offered, then

(b) The price offered by the Army Quartermaster Corps to such canner, as determined by available records; or in the event no offer has been made by the Army QMC to the canner for the commodity offered to Commodity Credit Corporation, then

(c) The canner's 1945 government ceiling price; provided, however, in the case of support vegetables

(d) The price shall be no lower than that specified in (2) below.

2. Purchase prices with respect to support vegetables, in excess of the

eligible portion of the canner's set-aside stocks, as defined in the paragraph headed *Quantity*, shall be

(a) 86.4 per cent of the canner's 1945 individual gross maximum f.o.b. ceiling price (i.e., including the subsidy amount if any), as determined by Office of Price Administration regulations; or

(b) 86.4 per cent of the midpoint of the range of prices promulgated by the Office of Price Administration for the area, type, style, variety, grade, size, and container of the canned commodity offered; whichever is lower.

WFA to Buy Canned Cannery Loaf from Salmon Canners

The War Food Administration has announced that it contemplates the purchase of a quantity of canned cannery loaf from the 1945 pack, and that offers for the sale of this commodity may now be submitted. Offers must be submitted on Offer Form PBO-524, in an original and three signed copies, and must be mailed to Contract Development Section, Procurement and Price Support Branch, Commodity Credit Corporation, War Food Administration, Washington 25, D. C., at any time prior to September 15.

According to the WFA, "cannery loaf" has never been produced from salmon waste on a cannery line, and no purchases of this product have been made before by any government agency. Alaska and United States salmon canners are interested in marketing whatever cannery waste as is available to them; provided, their efforts to utilize such waste does not decrease production of standard pack canned salmon. WFA said. It is estimated that as much as 125,000,000 pounds of edible salmon trimmings are discarded as waste each year.

The Food and Drug Administration has expressed the opinion that the product would not be acceptable in interstate commerce. No objection will be made, however, to the exportation of canned cannery loaf, produced in accordance with WFA specifications, to a foreign country in accordance with the requirements of Section 801 (d) of the Federal Food, Drug, and Cosmetic Act, approved June 25, 1938, as amended, WFA states.

New Ceilings for Canned Clams

Increased canners' ceiling prices for canned quahog clams were announced June 25 by the Office of Price Administration. The action, taken by the issuance of Amendment 4 to Maximum Price Regulation 448, effective June 28,

establishes new canners' maximum prices, per dozen cans, f.o.b., New York City, as follows:

No. 1 E. O. or No. 1 picnic (5 oz. net).....	\$2.70
No. 1 Tall (8 oz. net).....	4.50
No. 2 (10 oz. net).....	5.00
No. 10 (50 oz. net).....	22.45

The new prices represent increases needed to meet the minimum requirements of the law. Producers of quahog clams were caught in a squeeze between increased production costs and their former ceiling prices based on March, 1942, levels, OPA said.

Canners are required to notify wholesalers, retailers, and other distributors of their new maximum prices so that resellers can recalculate their new maximum prices on the basis of the increased prices they must pay their suppliers.

OPA Issues New Ceilings for Albacore and Light Meat Tuna

The Office of Price Administration has issued Amendment 3 to Maximum Price Regulation 290, effective June 22, which makes certain changes in the canned light meat and albacore tuna prices and establishes the net weight fill of containers. The new maximum prices per case are:

Albacore	No. 1	No. 1/2	No. 3/4
Fancy.....	\$28.50	\$15.50	\$8.75
Standard.....	24.50	13.50	7.75
Grated.....	24.00	12.50	7.25
Flake.....	24.00	12.50	7.25
Light Meat			
Fancy.....	\$19.95	\$11.00	\$6.50
Standard.....	18.10	10.00	6.00
Grated.....	17.70	9.37	5.70
Flake.....	17.00	9.00	5.50

The amendment requires that the following net weight fill of containers be used for the grades and can sizes listed: Fancy and Standard No. 1, 13 ounces; Fancy and Standard No. 1/2, 7 ounces; Flaked and Grated No. 1, 12 ounces; and Flaked and Grated No. 1/2, 6 ounces.

Ceilings for canned bonito and yellowtail, which also are priced under MPR 290, were not changed by the amendment to the order.

Summer Apple Price Ceilings

Ceiling prices for apples of the 1945 crop will be increased 60 cents a standard bushel f.o.b. any shipping point, during the period beginning June 25, and ending July 20, the Office of Price Administration has announced. The new ceiling price for apples graded, packed and loaded on car or truck at the shipping point is \$3.45 a standard bushel.

THIS WEEK IN CONGRESS

Lawmakers Devote Most of Week to Studying Appropriation Bills

With the fiscal year expiring June 30, Congress was concerned during the week chiefly with appropriation bills, action on which in the Senate was delayed by Senator Bilbo's efforts to prevent the appropriation of funds for the Fair Employment Practices Commission.

The Second Deficiency bill, which provides funds for operation of the Office of Price Administration, was approved by the House on Thursday. As passed by the House, there was retained in the bill the proviso on specifications and standards carried in last year's appropriation act that "none of the funds appropriated in this act shall be used to pay the salary or expenses of any person fixing maximum prices for different kinds, classes, or types of processed fruits and vegetables which are described in terms of specifications or standards, unless such specifications or standards were, prior to such order, in general use."

The War Agencies appropriation bill providing funds for sixteen government agencies, offices and boards was delayed in the Senate. However, the Senate had previously adopted an amendment with reference to the funds allotted to the National War Labor Board providing that "no part of the funds appropriated in this paragraph shall be used in connection with investigations, hearings, directives, or orders concerning bargaining units composed in whole or in part of agricultural laborers as that term is defined in the Social Security Act in Section 400, Title 42, U. S. Code."

Conferees on the Interior appropriation bill have agreed to the establishment of two additional Market News offices, San Pedro, Calif., and Norfolk, the purchase of three portable trailer laboratories for use of the fisheries on the West Coast, on the Gulf and South Atlantic and on the Great Lakes and New England. However, the conferees eliminated all funds for the Alaska Development Commission, which included projects to develop the Alaskan ground fisheries. The House approved the report on Thursday.

The Labor-Federal Security appropriation bill passed the Senate on Tuesday and went to conference. On Thursday the conferees reported agreement on a number of differences between the House and Senate bills. Included in these was acceptance of the Senate amendment providing for the return to the States of the facilities, property, and personnel loaned by the States to

the U. S. Employment Service, three months after the war ends with Japan. The conferees did not reach agreement on the Senate amendment providing \$1,600,000 to the War Manpower Commission for migration of workers. The House was asked to concur in the Senate amendment, with an amendment reducing the fund from \$1,600,000 to \$800,000 and with a proviso that no part of the funds shall be available for any transportation of railroad workers.

The House on Thursday passed the joint resolution, previously approved by the Senate, transferring to the Reconstruction Finance Corporation all functions, powers, duties, and authority of the Defense Plant Corporation, Metals Reserve Company, Rubber Reserve Company, Defense Supplies Corporation, and Disaster Loan Corporation.

The House has passed a bill to increase fourth-class postage rates on catalogues and related matter. The classes of mail that would be affected include catalogues and similar advertising matter; directories or lists of individual firms or organizations; reports of prospectuses of corporations, organizations and institutions; price lists or tariff schedules; industrial manuals and bound volumes of printed matter similar in character.

The bill to extend the Renegotiation Act to December 31, 1945, passed the Senate on Thursday.

The bill to extend suspension of the statute of limitations applicable to anti-trust law violations was approved and sent to the President.

Senator Brewster of Maine has introduced a bill (S. 1204) to require that the approval in writing of the Secretary of Agriculture be obtained before any action is taken under the Emergency Price Control Act with respect to fish or other seafood or with respect to any regulation, order, price schedule, or other requirements applicable to any processor with respect to any food or feed product processed or manufactured in whole or substantial part from fish or other seafood.

School for Mold Counters

The school for training analysts in the Howard Mold Count Method to be held at the Geneva Experiment Station, Geneva, N. Y., will open this year at 9 a.m., Wednesday, July 18. New students who have not had previous training in this method should be present on July 18 with all of the necessary equipment for this work. Classes for those who have had previous training will begin on Monday, July 23.

This school is conducted by scientists

from the National Canners Association, American Can Company, and the Continental Can Company. Registration should be made direct to Carl Pederson of the Geneva Experiment Station.

A similar school was held at the Purdue Experiment Station from June 20 to June 30.

Service Charges for Custom Freezing Fruits and Berries

When more than one processor performs a service in custom packing fruits or berries as a frozen product, the total charges cannot exceed the ceiling price that can be charged if all of the services are performed by a single custom packer, the Office of Price Administration has announced. This provision, effective June 28, through the issuance of Amendment 9 to Supplement 6 to Food Products Regulation 1, covers charges made by processors whose services alone do not produce the finished frozen product, OPA said.

For example, under the old provision, a custom packer could stem, wash, sweeten and package berries for an industrial user and deliver them to the customer or to a cold storage warehouse for the account of the customer who, in turn, would have the berries frozen by the warehouse, paying an additional fee for the freezing. Under today's provision, the total charge for all these operations cannot exceed the amount that the custom packer could have charged had all of the services been performed by one processor.

Philippine Shipping Resumed

Resumption of limited commercial cargo ship service between the United States and the Philippine Islands has been announced by the War Shipping Administration. Cargo accepted by shipping companies acting as agents for WSA will be limited to categories essential to the Philippine economy. These categories will be established from month to month by the Philippine Commonwealth Government in collaboration with WSA and the Foreign Economic Administration.

Among the types of cargo recommended by the Philippine Government as essential are the following foodstuffs: Canned milk, canned meat, canned fish, and canned vegetables. Industrial materials and supplies for the rehabilitation of industries, including construction materials, tools, repair parts, and agricultural implements also are recommended as essential.

WAR FOOD ADMINISTRATION ANNOUNCES A REVISION IN THE SET-ASIDES FOR CANNED FRUITS AND VEGETABLES

As the LETTER went to press, the War Food Administration issued a revision of War Food Orders 22.8 and 22.9, effective July 30, which sets forth the per cent of the 1945 pack of canned fruits and vegetables which will be required to be set aside for Government purchase. The percentages of the base packs of the various canned fruits and vegetables which, under the amended orders, will be to be set aside for the Government are listed in the accompanying tables. The base pack for each of these products is the same as previously announced and published in the INFORMATION LETTER of February 9. The type, style, variety, grade preferences, and can sizes to be set aside also are the same as stated in that announcement, except that the 12 oz. vacuum can for whole kernel corn is now listed as a can size to be set aside.

Canned sweet potatoes have been added to the vegetable list and canned plums and prunes to the fruit list. RSP cherries are omitted from the fruit list since this commodity is now required to be set aside under the provisions of WFO 133. This set-aside order on RSP cherries was announced in last week's INFORMATION LETTER. Complete text of these revised orders will be published in next week's INFORMATION LETTER.

FRUITS	Percentage of base pack		
	Specific reserve	Contingency reserve	Total reserve
Apples.....	72	*8	80
Applesauce.....	48	*6	54
Apricots.....	58	*3	61
Berries ¹	90	*10	100
Blueberries.....	130	*10	140
Cherries, sweet.....	22	*3	25
Figs.....	75	*5	80
Fruit cocktail.....	44	*10	54
Peaches.....	54	*10	64
Pears.....	70	*10	80
Pineapple.....	60	*10	70
Pineapple juice.....	38	*10	48
Plums and prunes (fresh Italian).....	22	*3	25
VEGETABLES			
Asparagus.....	61	*4	65
Beans, lima.....	33	*3	36
Beans, snap.....	43	*7	50
Beets.....	46	*6	52
Carrots.....	85	*10	95
Corn, sweet.....	38	*6	44
Peas.....	38	*5	43
Potatoes, sweet.....	41	*6	47
Pumpkin or squash.....	40	*6	46
Sauerkraut.....	63	*7	70
Spinach.....	70	*7	77
Tomatoes.....	55	*8	63
Tomato catsup.....	41	*6	47
Tomato juice.....	21	*6	27
Tomato puree.....	19	*3	22
Tomato paste.....	25	*3	28

* Indicates that Government intends to purchase all of contingency reserve in addition to the specific reserve.

¹ Blackberries, boysenberries, loganberries, youngberries only. Percentage applies to combined pack of the four varieties.

WFA Limits Use of Vegetable Oil for the Canned Tuna Pack

The quantity of vegetable oil which canners of tuna, bonito and yellowtail may use in each case of 48 cans packed during the coming packing season is limited by Amendment 10 to War Food Order 44, effective July 1, the War Food Administration has announced.

Inventories and prospective supplies of vegetable oil are insufficient to provide former usage of vegetable oil throughout the canning season. The new amendment is intended to assure supplies for constant production.

War Food Administration specialists have completed an investigation to determine the amounts of oil required in canning of these fish, without injuring the quality of the product. The following quotas, which are listed in pounds of oil per case, have been set as a result of the investigation:

Solid pack:	Pounds
No. 1/2 tuna	4.1
No. 1 tuna	5.6
4-pound tuna	7.5
Flakes, shredded or grated:	
No. 1/2 tuna	3.00
No. 1 tuna	4.25
4-pound tuna	5.50

As a result of this amendment, canners of tuna, bonito, and yellowtail will be required to file weekly pack reports with WFA after July 1. This action does not, however, place the three species under set-aside control.

Supplement 7 Amended by OPA

The Office of Price Administration has issued Amendment 23 to Supplement 7, effective July 3, establishing subsidy rates on canned green peas, canned green and wax beans, canned sweet corn, and canned tomatoes. These subsidy rates are the same as those already named in the regulations with the addition of a rate for No. 95 Vacuum cans. The subsidy rate on No. 95 Vacuum cans is the same as on No. 2 cans.

Under the new regulation, the differentials for packed pole beans in Area 10 are increased to 9¢ per dozen for No. 2 cans, 13 1/4¢ per dozen for No. 2 1/2 cans and 45¢ per dozen for No. 10 cans. Several minor clarifying provisions to Supplement 7 are named also in the amendment.

U. S. Grades for Frozen Fruits

War Food Administration has issued tentative U. S. Standards for grades of frozen apricots and frozen peaches, effective June 30. Copies of these new tentative standards may be obtained from the Fruit and Vegetable Branch, Office of Marketing Services, War Food Administration, Washington 25, D. C.

Cuba to Buy Canned Milk

The Ministry of the Treasury of Cuba has been authorized to appropriate money to purchase 120,000 cases of 48-cans each of milk in the United States, according to the Department of Commerce. The milk is to be imported exempt from payment of import duties, taxes and consular fees. The milk will be distributed in Cuba under the direction of the Ministry of Commerce at fixed prices.